

7791-0056-25

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE APPLICATION OF:

MICHAEL C. SCROGGIE ET AL

: EXAMINER: ALVAREZ

SERIAL NO. 08/622,685

FILED: MARCH 26, 1996

: GROUP ART UNIT: 2761

FOR: SYSTEM AND METHOD FOR
PROVIDING SHOPPING AIDS AND
INCENTIVES TO CUSTOMERS
THROUGH A COMPUTER
NETWORK

Received
JUN 10 1999
Group 2700

37 C.F.R. §1.132 DECLARATION OF MICHAEL C. SCROGGIE

ASSISTANT COMMISSIONER FOR PATENTS
WASHINGTON, D.C. 20231

SIR:

(1) I am one of the inventors named for the application identified above.

(2) The website "www.supermarkets.com" displays on a web page, called a "ValuPage," incentives available during the current week at the stores for a selected retailer. If the consumer selects that ValuPage, the consumer can print a token (and shopping list) for those incentives at his computer. That token contains a unique identity code indicating the consumer has visited the website and is eligible to receive the savings. The token is currently implemented in a barcode. If the consumer brings that token to the selected retail store and presents it upon checkout (i.e., has the token read during the purchase of products), all of the incentives available from that retailer for that week which were identified on the ValuPage for products that the consumer is purchasing will be awarded to the consumer. That is, they will receive "Web Bucks" for the indicated value of the incentive for each promoted item

Received Time May.27. 5:23PM

they purchase, redeemable during their next shopping trip. Web Bucks are printed at the checkout counter for each qualifying product purchased. Alternatively, the consumer's total bill for the purchase will be reduced by the value of all of the promotions available from the retailer for items that the consumer is purchasing.

(3) Supermarkets.com has been tremendously successful. For example, during one week in 1999. There were 336,987 ValuPages either viewed or printed. During that same week, 93,928 ValuPages were presented in stores during transactions at the point of sale. This data suggests that about one-fourth of the people who view the ValuPage actually print that page and redeem it at checkout in a retail store. That redemption rate is far higher than the free standing insert (FSI) redemption rate of 1-2 percent (i.e., for coupons published in newspapers), and it is even far higher than the targeted point of sale distributed coupons redemption rate, which rate is very roughly ten percent.¹

(4) Moreover, the value represented by the 93,928 presented tokens was more than \$164,000. The value of \$164,000.00 is based upon 216,000 Web Bucks issued at an average face value of \$.76. When redeemed during their next shopping trip, the customer's order amount will be reduced accordingly. Thus, on average, each ValuPage presented during a transaction had a value to a consumer of about \$1.75, which is far higher than the value to the consumer of an average single item grocery store coupon.

(5) Furthermore, the distribution cost to the manufacturer for distributing the ValuPage tokens from the supermarkets.com website to the consumer is substantially lower than other couponing alternatives. (Of course, the manufacturers have contractual agreements to pay the owner of the supermarkets.com website for use this service.) That is in

¹ See pages of a web site report evidencing these facts submitted herewith.

stark contrast to the cost to manufacturers associated with distributing FSI coupons, or even in contrast with the cost of printing in-store distributed coupons.

(6) I swear under penalty of perjury that the foregoing is true and correct, and I am aware that any untrue statements are punishable by fine or imprisonment, or both, pursuant to 18 USC 1001.

March 26, 1999
Date

Michael C. Scroggie
Michael C. Scroggie

Printed: March 8, 1999

I:\atry\RA\clients\CATALINA\77910056\scroggie.de.990311.wpd

3/2/99 11:36:02 AM

ValuPage NetWork Final Site Activity Report

Report

Page 12 of 17

From: 02/15/1999 [8]
To: 02/21/1999 [8]

Save \$.50 on one WisPride Cheese Cup (7.5 oz or larger)	85,808
Save \$.50 on one Price's Cheese Spread (any size)	22,120
Save \$.50 from Laughing Cow Spreadable Cheese Collection	146,883
Save \$.50 on one package of Laughing Cow Cheezbits	123,774
Save \$1.00 on one Morningstar Farms Meat-Free product	302,987
Save \$.50 on one Welchade Pourable Concentrate	217,745
Save \$.50 JuiceMakers 100% Juices or Juice Cocktails Pourable Co	309,947
Save \$.50 on one 22 oz Kozy Shack Pudding	239,177
Save \$1.00 on any 2 Aunt Jemima Frozen Waffle varieties	289,662
Save \$2.00 on 2 General Foods International Coffees	11,885
Save \$2.00 on 2 General Foods International Coffees	13,535
Save \$1.00 on one General Foods International Coffees	10,493
Save \$1.00 on one General Foods International Coffees	47,284
Save \$1.00 on one General Foods International Coffees	5,621
Save \$.75 on one package of KOTEX Pads	31,231
Save \$.75 on one package of KOTEX LIGHTDAYS Pantliners	304,017
Save \$.75 on one package of KOTEX SECURITY Tampons	295,043
Save \$1.00 on one Depend or Polse product	299,565
Save \$.55 on National Arrowroot biscuits (10.5 oz or larger)	298,600
Save \$1.00 on TWO Freschetta frozen pizzas	278,070
Save \$.25 on Dixie 3oz or 5 oz Bathroom or Kitchen Cups	303,779
Totals	304,760
	17,099,260

ValuPages Printed (Page 4) Views
Average Offers per ValuPage

336,987 76.4%
50.74

Web Bucks Distributed:

Save \$1.00 on one Mentadent Toothbrushes (ProCare or Oral Care)	1,569
Save \$1.00 on one Mentadent Toothpaste product (3.5 oz or larger)	3,390
Save \$1.00 on two Chips Ahoy! Cookies (12 oz or larger)	11,735
Save \$1.00 on No Nonsense Hosiery	3,235
Save \$1.00 on two boxes of Cheerios cereal	15,673
Save \$1.00 on one box of Tyson Fat Free Patties or Tenders	1,631
Save \$1.00 on 2 boxes of Tyson Patties, Chunks, Tenders or Fillets	5,710
Save \$.75 on one PULL-UPS Disposable Training Pants	4,414 1061
Save \$1.00 on GOODNITES Disposable Absorbent Underpants	792
Save \$1.00 on Glad Handle-Tie Trash Bags (10 count)	6,368
Save \$1.00 on Jonny Cat cat litter (2-10 lb. or 1-20 lb. bag)	1,433
Save \$.50 on Gorton's Frozen Seafood Product	8,109 4055
Save \$.50 on Gorton's Homestyle Baked Fillets	2,351 1176
Save \$1.00 on any Excedrin Migraine	1,174
Save \$1.00 on one Excedrin PM Tablets, Caplets or Geltabs	647
Save \$1.00 on one Aspirin Free Excedrin Caplets or Geltabs	1,093
Save \$1.00 on one Excedrin Extra Strength Tablets, Caplets or Ge	1,103
Save \$.50 on one General Mills children's cereals	15,830 7920
Save \$.70 on Raisin Nut Bran, Basic 4, Clusters or Oatmeal Crisp	6,677 1674
Save \$.50 on Earth Grains Brand Bread	937 469
Save \$.50 on Earth Grains Brand Bagels	748 374
Save \$.50 on Wisk Laundry Detergent (Liquid or Powder)	5,827 2914
Save \$.50 on one Ensure Light or any Ensure Liquid	610 305
Save \$1.00 on the Gillette Sensor Excel for Women Razor	194
Save \$.50 on 4 Colombo Yogurt Products (8 oz.)	6,603 3302
Save \$.35 on San Luis Sourdough Bread	63 22
Save \$.75 on "ALL" Free/Clear Laundry Detergent (Liquid or Powde	1,711 1300
Save \$1.00 on 10 jars of Beech-Nut Naturals Brand Baby Food	2,571
Save \$.50 on one box of Beech-Nut Cereals	1,744 872

89,762

Received Time May.27. 5:23PM

3/2/99 11:36:03 AM

ValuPage NetWork

Final Site Activity Report

From: 02/15/1999 [8]
To: 02/21/1999 [8]

Report

Page 13 of 17

Save \$.50 on 4 tubs of Beach-Nut Table Time Toddler Dinners	466	2.33
Save \$.75 on Beach-Nut Naturals 32oz or 6 ct multipack	1,251	9.55
Save \$1.00 on 6 jars of Beach-Nut Naturals Stage 3 Baby Food	1,107	
Save \$1.00 on McCormick Season-All	1,389	
Save \$1.00 on Schilling Season-All	326	
Save \$1.50 on one 3 McCormick Golden Dipy Fry Mixes	332	
Save \$.50 on Hormel or Dubuque Bacon	4,897	7.54
Save \$.35 on 1 package of Jennie-O Turkey Bacon	470	1.66
Save \$.80 on 2 Hormel LITTLE SIZZLERS Pork Sausage	429	3.43
Save \$1.00 on 2 Hormel Pepperoni, any variety	2,550	
Save \$.75 on NEW Lemon Fresh Formula 409 All Purpose Cleaner	614	4.01
Save \$1.00 on two 2 Liters of Mug Rootbeer or Slice (Regular or	12,391	
Save \$1.00 on one 12 pack of Mug Rootbeer or Slice (Reg. or Diet	3,451	
Save \$1.00 on Clorox Clean-Up Durable Cleaner with Bleach	1,710	
Save \$1.00 on PINE SOL All Purpose Cleaner	4,140	
Save \$.75 on Huggies Baby Wipes Refills (160 ct)	4,831	122.3
Save \$.50 on Huggies Supreme Care Baby Wipes (64 ct)	688	29.6
Save \$.50 on one package of Butterball lunch meat	2,746	18.78
Save \$.35 on one can of DINTY MOORE STEW	4,382	15.34
Save \$.30 on one 3-strip Fleischmann's Yeast	3,281	67.8
Save \$.80 on 2 Fleischmann's Bread Machine Mix or 1 jar 4oz	4,584	17.51
Save \$.50 on one package of Healthy Choice lunch meat	4,543	22.57
Save \$.50 on one 4-roll Quilted Northern double roll or any large	9,843	45.22
Save \$.50 on one Tilex Fresh Shower	2,282	11.01
Save \$.50 on ONE Packages of Duracell Ultra (AA-4, AA-8, AAA-4)	502	2.51
Save \$.50 on one Kaukauna Cheese Cup (7.5 oz or larger)	485	2.44
Save \$.50 on one Wispide Cheese Cup (7.5 oz or larger)	630	3.04
Save \$.50 on one Price's Cheese Spread (any size)	167	8.4
Save \$.50 from Laughing Cow Spreadable Cheese Collection	679	27.6
Save \$1.00 on one package of Laughing Cow Cheddar	166	8.3
Save \$1.00 on one Morningstar Farms Meat-Free product	4,484	
Save \$.50 on one Welch's Pliable Concentrate	3,168	15.54
Save \$.50 JuiceMakers 100% Juices or Juice Cocktails Pourable Co	9,530	47.65
Save \$.50 on one 22 oz Kozy Shack Pudding	2,256	11.28
Save \$1.00 on any 2 Aunt Jemima Frozen Waffle varieties	6,053	
Save \$2.00 on 2 General Foods International Coffees	141	
Save \$1.00 on one General Foods International Coffees	249	
Save \$.75 on one package of KOTEX Pads	4,865	31.94
Save \$.75 on one package of KOTEX LIGHTDAYS Pantliners	2,305	17.24
Save \$.75 on one package of KOTEX SECURITY Tampons	4,088	81.7
Save \$1.00 on one Depend or Poise product	687	
Save \$.55 on National Arrowroot biscuits (10.5 oz or larger)	326	17.9
Save \$1.00 on TWO Freschetta frozen pizzas	2,573	
Save \$.25 on Dixie 3oz or 5 oz Bathroom or Kitchen Cups	2,847	71.2
Totals:	216,661	
POS Transactions	93,928	74,619
Web bucks per Transaction	230	
Other Offer Selection Page (Page 5) Views	44,694	13.3%
Other offers selected:	85	0.2%
Link to Nabisco Site	51	0.1%
Link to Mentadent web site	55	0.1%
Link to Gorton's web site	174	0.4%
Link to CatalogLink	330	0.7%
Link to NetGrocer	14	0.0%
Link to Ralphs web site		

\$164,381

\$1.75/cust

\$.76 avg
face value

Received Time May. 27. 5:23PM